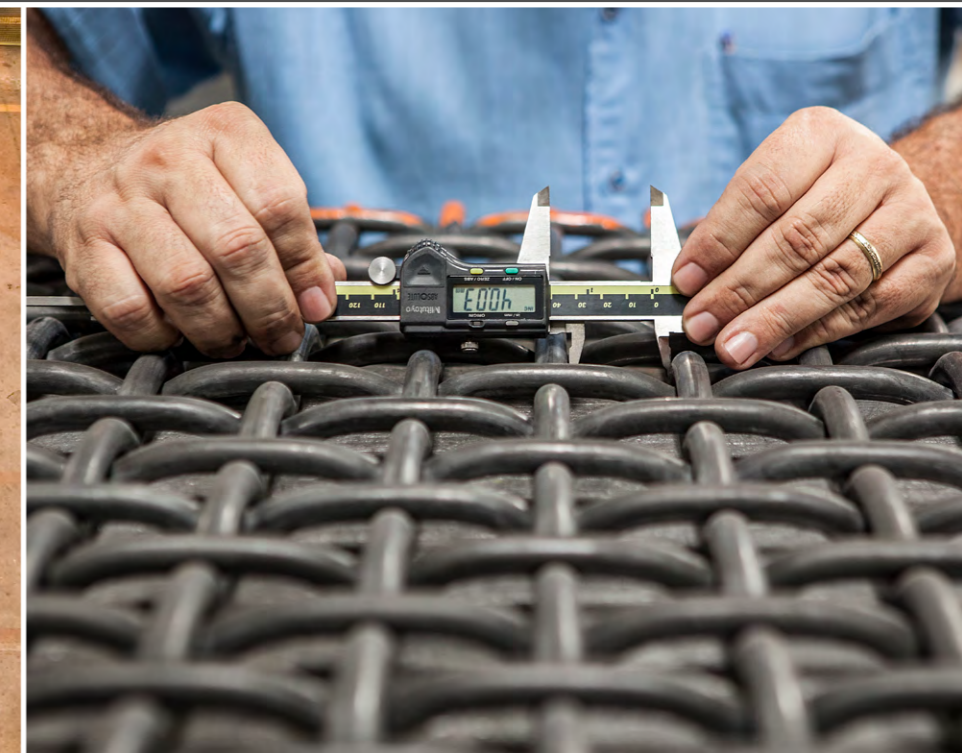




ArcelorMittal

# Sustainability Report (short version) **2017**





# Contents



Introduction

ArcelorMittal Brasil

## BROWSE THE SUSTAINABLE DEVELOPMENT GUIDELINES

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SDG 1: **Safe, healthy work ensuring quality of life for our employees**

SDG 2: **Products that encourage more sustainable lifestyles**

SDG 3: **Products that create sustainable infrastructure**

SDG 4: **Efficient use of resources and high recycling rates**

SDG 5: **Reliable user of air, land and water**

SDG 6: **Responsible energy user, helping create a low-carbon future**

SDG 7: **A supply chain our clients can trust**

SDG 8: **An active, welcome member of the community**

SDG 9: **A source of talented scientists and engineers for tomorrow**

SDG 10: **Our contribution to society should be measured, shared and promoted**

# Introduction



Latin America's biggest steelmaker and the Brazilian arm of one of the world's leading industrial groups, ArcelorMittal Brasil takes sustainability as the basis for managing all aspects of its business. Resource use, environmental impact assessments, responsible relations with all stakeholder groups (employees, suppliers, communities, academia, NGOs and other civil society organizations, etc.) and adherence to the principles of integrity and good governance all come under this context. The most recent progress made in these and other areas are found in this summarized version of the Sustainability Report 2017. The full version of the report can be accessed at: <http://brasil.arcelormittal.com.br/en/corporate-responsibility/sustainability/sustainability-report>.



# ArcelorMittal Brasil

## ArcelorMittal Brasil in figures - 2017



Around

# 16,000 employees

compose ArcelorMittal Brasil's workforce.



ArcelorMittal Brasil is the biggest steelmaker in Latin America, where it works in synergy with 29 business units in Argentina, Costa Rica and Venezuela.



# 29 facilities

for steel production and processing.

## over 11 million tons

crude steel production capacity.

## 7.1 million tons

iron ore production capacity.

# BRL 20.32 billion

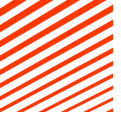
consolidated net revenue.

# BRL 2.55 billion

operating cash flow (EBITDA).

## 9.7 million tons

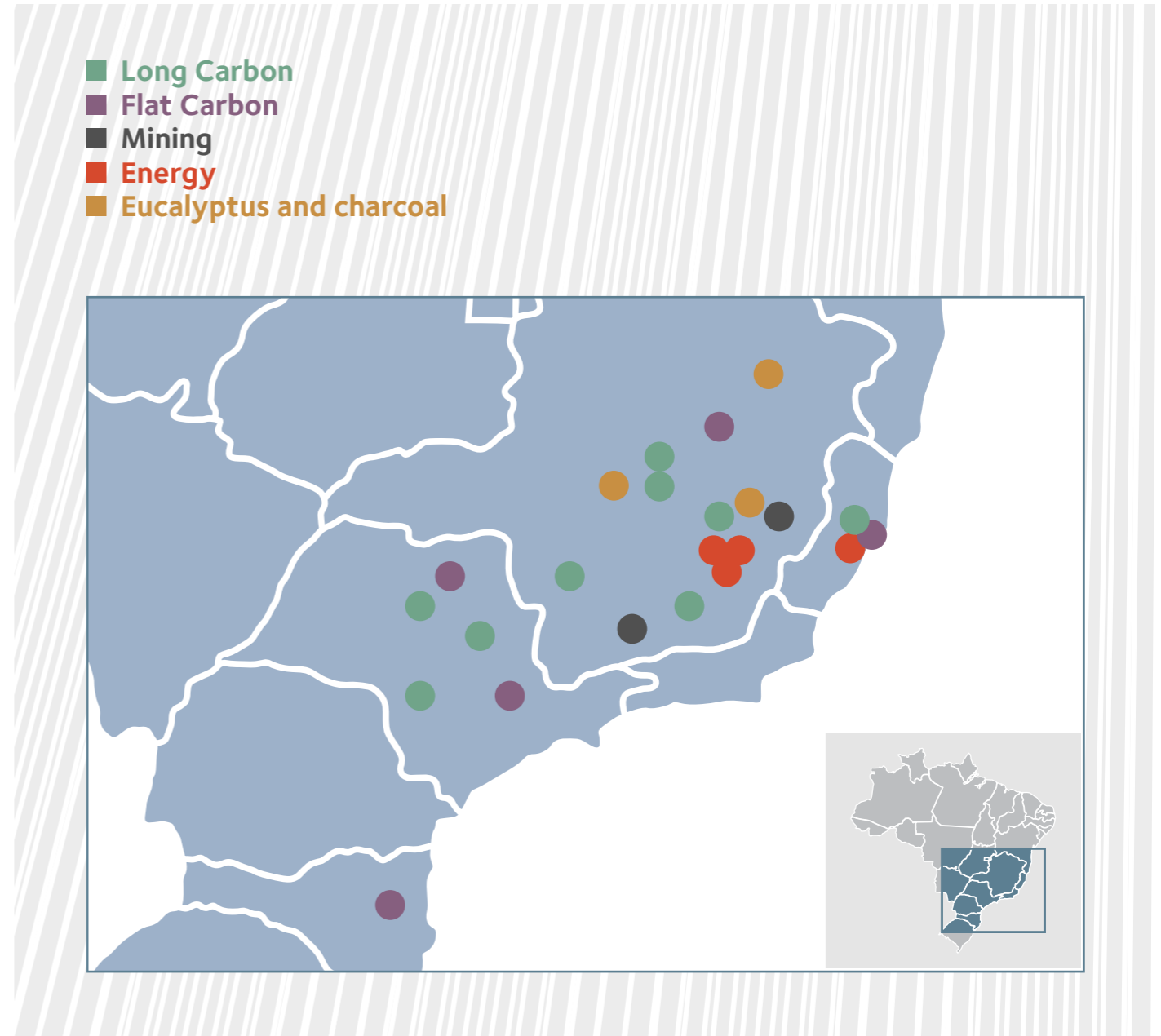
of products sold.

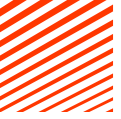


# Business units in Brazil



TYPE OF ACTIVITY	STATE(S)
Long Carbon production	Minas Gerais, São Paulo and Espírito Santo
Flat Carbon production	Minas Gerais, Espírito Santo and Santa Catarina
Eucalyptus and charcoal production	Minas Gerais
Mining	Minas Gerais
Energy	Minas Gerais and Espírito Santo





# Products and business areas

## Long and wire-drawn steel

**Main products:** wire rod for use in industry, rolled products for construction, and wire-drawn products (wire and narrow bars) for general use

STATE	CITIES
Minas Gerais	Juiz de Fora, João Monlevade, Sabará, Vespasiano, and Itaúna
São Paulo	São Paulo, Osasco, Hortolândia, Piracicaba
Espírito Santo	Cariacica

## Mining

**Main products:** iron ore – sinter feed and granules

STATE	CITIES
Minas Gerais	Mina da Serra Azul (Itatiaiuçu) and Mina do Andrade (Bela Vista de Minas)

## Flat carbon

**Main products:** plate, sections, cold and hot-laminated and galvanized steels. Caters mainly to the automotive, home appliance and construction industries

STATE	CITY
Minas Gerais	Contagem
Santa Catarina	São Francisco do Sul
Espírito Santo	Serra

## BioFlorestas

**Main products:** charcoal and eucalyptus

STATE	AREAS
Minas Gerais	Carbonita, Martinho Campos and Dionísio

**4 million tons per year**

approximate crude long-steel production capacity.

**7.5 million tons**

production capacity of ArcelorMittal Tubarão, the Group's largest flat-steel facility in Brazil.

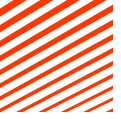
**7.1 million tons per year (mtpa)**

production capacity for the two mines (6.6 mt of sinter feed and 0.5 mt of granules).

## Distribution network

ArcelorMittal's steel products and solutions are distributed through an extensive network of sales units, which cater to a diverse market of building materials suppliers, construction firms, industry, metalworking companies, and other consumers of long, flat and cold-drawn steel. The distribution network comprises over 100 sales outlets located strategically across the country. They offer the most comprehensive portfolio of products and solutions for construction, industry and agribusiness, which are sold wholesale or retail. In addition to its physical stores, ArcelorMittal also has a direct online sales channel – the first e-commerce store of its kind in Brazil.

Our approved distributors also have a steel cutting and bending service, so that they can offer a comprehensive range of high-quality and economical steel solutions for the structural stage of works of all sizes. One of those solutions is *Armadura Pronta* ('Ready Rebar'), a ready-made steel structure for application in the mold, produced in line with the requirements of each project. Another example are the facilities in operation in Minas Gerais, São Paulo and Paraná, which offer flat-steel processing services such as hot and cold rolling, pickling, stamping, longitudinal and cross cutting, and coatings for a variety of applications. The benefit to the client is to streamline the construction site, reducing waste and increasing productivity.



**Integrated Platform for  
Sustainability and  
Reputation Management**

**ARCELORMITTAL  
Vision**

**BE THE MOST ADMIRED STEEL PRODUCER IN THE WORLD:** A GLOBAL REFERENCE TO THE SECTOR

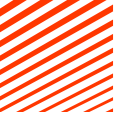
**REPUTATION: TRUST, ADMIRATION, APPRECIATION, EMPATHY**

- 1** Safe, healthy quality working lives for our people
- 2** Products that create sustainable infrastructure
- 3** Products that accelerate more sustainable lifestyles
- 4** Efficient use of resources and high recycling rates
- 5** Trusted user of air, land and water
- 6** Responsible energy user that helps create a lower carbon future
- 7** Supply chain that our customers trust
- 8** Active and welcomed member of the community
- 9** Pipeline of talented engineers and scientists for tomorrow
- 10** Our contribution to the society measured, shared and valued

**LEADERSHIP, PERFORMANCE, AND A CULTURE OF INTEGRITY**







# Integrity and governance

Established in 2015, ArcelorMittal Brasil's Integrity Committee is mainly responsible for building an ever more robust culture of integrity within the organization, and disseminating it internal and externally.

## Recognition from Transparency International

ArcelorMittal Brasil ranked first in the mining and metallurgy sector and came fifth overall in the survey *Transparency in corporate reporting: Brazil's 100 largest companies and 10 largest banks*, published in January 2018 by Transparency International, the world's leading non-governmental anti-corruption organization.

Carried out in partnership with the Getulio Vargas Foundation, the survey analyzed companies' anti-corruption programs and organizational transparency, and ArcelorMittal Brasil obtained an average score of 8.8. The average for the mining and metallurgy sector was 5.6, and the overall average for privately owned companies was 5.0.

## Human rights

ArcelorMittal's Human Rights Policy sets out the principles governing the Group's actions and behavior in respect of human rights. It seeks to encourage the creation of operational procedures that promote an environment in which those rights are respected, while also helping to ensure that the Group does not get involved in activities which violate human rights either directly or indirectly. The policy is applicable to all staff of ArcelorMittal's subsidiaries and affiliates throughout the world. Subcontractors providing services to the Group are also required to comply with the policy. Human rights performance is periodically reported on and overseen by senior management.

## Whistleblower channels

ArcelorMittal has internal and external channels in place for reporting non-conformities with best practice in ethics, integrity and corporate governance. Confidentiality and anonymity are guaranteed for all sources, and investigations into reports include whistleblower protection. Cases of fraud are handled by the forensic investigation department; others (including non compliance with labor, moral harassment, complaints about service, and conflicts of interests) are dealt with by the legal department and the Compliance Officer. Regular communication campaigns keep stakeholders informed about how to access the whistleblower channels and investigation mechanisms. In 2017, 90 complaints were reported.

How to report a complaint:



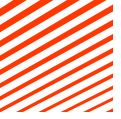
**BY PHONE**  
0800-891-4311



**ONLINE**  
[www.arcelormittal.alertline.com](http://www.arcelormittal.alertline.com)



**BY POST**  
Auditoria Interna  
Serviços Forenses  
Av. Carandaí, 1115 - 15º  
Bairro Funcionários  
CEP: 30130-915  
Belo Horizonte/MG.



**SDG 1**  
Safe, healthy work ensuring quality of life for our employees



Sustainable Development Outcome 1 (DDS1) informs ArcelorMittal Brasil's initiatives in terms of safety, health and the quality of the personal and professional lives of its employees.

**Employees by age range in 2017**

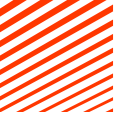
< 30 years	3,663
30 to 50	10,316
> 50 years	1,871
<b>Total</b>	<b>15,850</b>

**Training and development**

In 2017, 51.85% of ArcelorMittal's employees received training amounting to a total of 495,407 hours, an average of 31 hours per employee. In terms of leadership, the Lead Program focused on developing Managers and Department Managers. One new initiative in 2017 was the launch of the Perform program, focused on talents among technical staff, (according to the "Y-shaped" career paths principle, which sets out two possible paths of development for employees: one based on technical and operational skills and another intended to form managers).

The most important training initiatives in the year included the inauguration of the campus of ArcelorMittal University (AMU), located at the Tubarão facility (ES). AMU's first branch in Latin America (and eighth in the world) came into operation in April. Another major event was the Commercial Academy, with a series of initiatives aimed at supporting the rolling out of the new commercial model for the Long Carbon segment.





### Safety metrics and management

In 2017, ArcelorMittal Brasil upgraded its two security tools: identifying hazards and risk assessment (IPAR) and preliminary risk analysis (APR). The first tool studies the routine activities of facilities, classifying the risks involved; following the upgrade, the process now has hierarchy-based risk control. The APR, which entails analyzing nonroutine activities, has had its form revised to make it more objective and simplified.

Aimed at the Long Carbon segment (including BioForests and Mining) the Take Care program was introduced in 2017 to ramp up the culture of safety, raising risk awareness. More than 1,300 company employees in the industrial segment were trained in theoretical and practical activities primarily aimed to stimulate behavioral change.

In 2017, ArcelorMittal Mineração Serra Azul conducted a number of converging initiatives as part of the pursuit of zero accident. All these endeavors yielded significant results, such as the landmark of 955 days without lost-time injuries last year and, above all, no recorded fatalities.

Initiated at the end of 2015, the Safe Conduct program is a leading program at the Flat Carbon plants. This program aims to bolster the culture of safety and further mature relations between employees and contractors, regardless of hierarchy. This change is founded

upon the following core pillars: respect, accountability, trust, transparency and maturity.

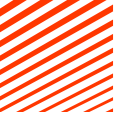
Other facilities earned recognition for their safety performance in 2017. In February the Long Carbon plant in Itaúna, Minas Gerais, commemorated the landmark of 10 years without lost-time injuries (CPT).

### Quality of Life Metric (IQV)

In 2017, the methodology of the Quality of Life Metric (IQV) was changed. This methodology applies to company employees in the Flat and Long Carbon businesses. A number of initiatives carried out by the health and safety department in 2017 also helped generate positive IQV results. As a result, the minimum IQV targets stipulated for 2017 were met.







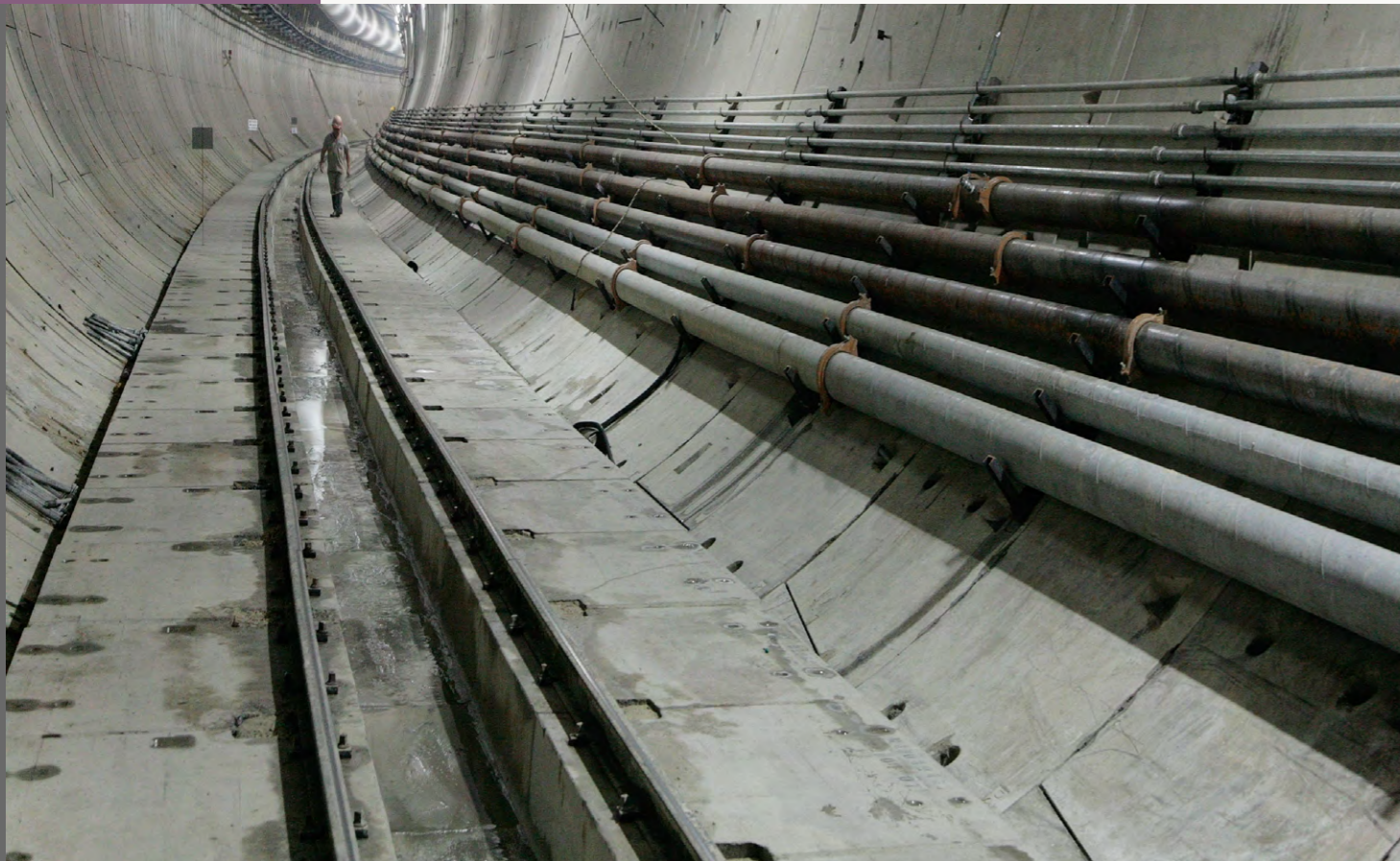
# 2+3

## SDG 2

Products that create sustainable infrastructure

## SDG 3

Products that encourage sustainable lifestyles



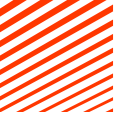
ArcelorMittal Brasil boasts the most complete product portfolio in the national steel industry. Its steel products are used in civil construction, agribusiness and various manufacturing segments: automobile, naval, household electric devices, oil and gas and agricultural implements, amongst others.

### Leader in the automotive industry

ArcelorMittal participated in the recovery of the Brazilian automotive industry by supplying innovative steel for the industry, especially its high-strength products – including Usibor®, made in Tubarão and sent to Vega for processing.

Used in the production of structural parts critical for car safety such as A and B columns, reinforcement elements (front and back bumpers, roof and girder beams), and floor plate tunnels, Usibor® helps make cars lighter (which in conjunction with other S-in Motion® products, can reduce final weight by up to 20%). Using the new steel also reduces total CO<sub>2</sub> emissions during the vehicle's life cycle. This consumable is in line with global sustainability trends in the industry and helped car manufacturers meet the requirements of Inovar Auto - the Brazilian automotive regulations that establish targets for developing lighter, safer and more environmentally friendly cars - which will continue moving forward with Route 2030.





The Vendor Management Inventory methodology (or VMI) also helped strengthen relations between ArcelorMittal and the automotive sector. By using VMI, the Group's companies are responsible for replenishing client inventory based on coverage parameters previously established by both parties.

### Expansion of the Belgo Protec line

Developed by Belgo Bekaert Arames (BBA), Belgo Protec is a fencing system (screens, posts and attachment accessories) designed to better protect operators handling machinery and equipment. In 2017, the Belgo Protec product line was expanded to include conveyor belt protection modules.

### Greater industrialization for civil construction

In 2017, the Group invested in innovative engineering solutions focused on increasing the productivity of the civil construction sector through industrialization. One of the launches in the year was Industrialized Footbridge – which uses steel and pre-cast concrete components, a group of solutions including long steels, flat steels and other products in the Group's portfolio, such as fencing systems and ceiling slabs. Another landmark product in 2017 was the Trelifácil® system, a groundbreaking solution for use in building and residential construction works. Consisting of a metal mold, plastic spacers and trusses for structural applications, their linear weight is approximately 80% less than a common concrete beam.

### Innovation Engineering

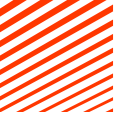
Created at the end of August 2017, a partnership between ArcelorMittal and Impacto Protensão, a company with construction know-how and innovation running through its DNA, will enable cooperation for delivering customized solutions to civil construction clients. With an expeditious methodology for rolling out projects inspired on start-ups, it includes an exclusively dedicated team focusing on developing new solutions and optimizing projects.

### Research into steel for the oil and gas industry

In 2017 the R&D center also worked on creating new products – that are more competitive and of better quality for the oil and gas chain. Alongside researchers from the Federal Rural University of Rio de Janeiro (UFRJ), the Center developed steel product models, such as pipes and pipelines, designed specifically for sale to Petrobras. The challenge was to produce high-strength parts containing the chemical element niobium, commonly used in steel plants to produce lighter and stronger steels.







# 4+5+6

**SDG 4**

Efficient use of resources and high recycling rates

**SDG 5**

Reliable user of air, land and water

**SDG 6**

Responsible energy user, helping create a low-carbon future



These three outcomes epitomize ArcelorMittal's vision of its relationship with the natural resources it uses in its operations, the impact these activities have on the environment and its general eco-efficiency policy.

## Key environmental management events in 2017

### Certifications

**Tubarão obtains the unprecedented Carbon Footprint Label**

The hot-rolled reels leaving the Tubarão plant (ES) were certified with the Product Carbon Footprint Label, awarded by the Brazilian Technical Standards Association (ABNT) in partnership with UK-based NGO the Carbon Trust. ArcelorMittal Tubarão was the first company in Brazil to be awarded the Label, after participating in the pilot program conducted to prepare the standard ABNT NBR ISO/TS 14067:2015.

**Mining obtains ISO 14001:2015**

After being audited by Bureau Veritas Certification (BVQI), the environmental management systems of the Andrade and Serra Azul mines were certified in ISO 14001:2015 – which demonstrates the maturity of the environmental processes practiced at the plants.

**Environmental Declaration for Products**

In 2017 ArcelorMittal Long Carbon carried out studies in order to obtain an Environmental Declaration for Products (DAP) for the beams produced by the company. A DAP is a document produced and audited independently which summarizes information about the environmental life-cycle and the impacts of products.

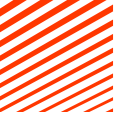
**ABNT Ecological Label (Long and Flat Carbon)**

All Long and Flat carbon production plants were re-certified in 2017 by the ABNT Environmental Labeling program. The Ecological Label establishes specific criteria for steel production, emphasizing the environmental performance of production plants, with parameters to be complied with in matters like water consumption and waste disposal.

**Environmental compliance**

On November 13 ArcelorMittal Tubarão signed the Preliminary Environmental Consent Decree (TCAP) with the Espírito Santo State Government, by way of the State Environmental Department (Iema), with the State and Federal Prosecutions Departments and the State Office for the Environment and Water Resources (Seama). In the document Tubarão approved the investments in progress and will continue doing so, on several fronts, to continually improve the industrial plant's environmental management system.





In Minas Gerais, ArcelorMittal Juiz de Fora reached a settlement with the State Prosecutions Department to shelve two civil environmental inquiries regarding facts dating back to the 1990s, by way of signing an Environmental Consent Decree (TCA) on August 30, 2017.

### Energy

Projects to reduce energy consumption were created at various Flat Carbon plants, focusing on increasing process efficiency. In Tubarão, the gains were due to the detailed control of the gas balance, prioritizing the provision of residual gas (gas from LD steelmaking plant) for the rolling machine furnace, which would make it possible to reduce the consumption of natural gas. This initiative is part of the Energy Steering Plan, which includes the future implementation of a further nine projects, with the potential for further reductions of up to 326,397.6 GJ, at the plant.

### Closure of the industrial waste landfill in Cariacica

The Cariacica plant sealed off its former industrial waste landfill, which between 2000 and 2011 served as a site for the disposal of electric furnace dust generated by the plant's steelmaking operations. With an investment of BRL 3.5 million, the process of permanently closing the landfill depended on the plant obtaining an environmental license and was carried out in accordance with the project approved by the State Environmental Department (Iema) of Espírito Santo.

### Mining management becomes an international case

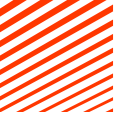
ArcelorMittal Brasil has one of the highest rates of water recirculation amongst Brazilian steelmakers, of approximately 98%. Between 2015 and 2017, ArcelorMittal Mineração Serra Azul managed to reduce its water intake by more than 50%, with efficiency actions applied to the mining and processing stages. The plant's water resource management was showcased in November 2017 at the Latin American mining water management forum held in Belo Horizonte.

### Gas Cleaning Bag Filter

Installed in the course of 2017 and inaugurated in February 2018, the Gas Cleaning Bag Filter installed at ArcelorMittal Tubarão is one of the major environmental control technological innovations recently introduced by the Group. The Gas Cleaning Bag Filter is a system of filters that cleans the gas by physically retaining particulate matter. Using the device further enhances the filtering of particulate matter contained in sintering process gases. BRL 101 million were invested in the new technology and the equipment operation and installation process was approved by the State Environmental Department.







### Advances in dedusting practices

For the first time environment, maintenance and engineering teams of ArcelorMittal's (Tubarão, Juiz de Fora and Monlevade) plants met with technicians of another company in the segment, Aperam, to share best practices in blast furnace dedusting systems. The meeting took place in September in Tubarão, and represented a milestone in technical cooperation between the Group and Aperam in issues related to environmental controls.

### Ongoing monitoring of stacks in Tubarão

In an unprecedented initiative, ArcelorMittal Tubarão created a section on its website (<http://tubarao.arcelormittal.com>) publicly publishing data regarding the ongoing monitoring of the plant's stacks. The figures are published every month in accordance with the terms of the company's operating license.

### Climate change

Two major projects in progress are leading the initiatives taken by ArcelorMittal to mitigate climate change: the use of charcoal instead of conventional coal and the energy cogeneration process, which reduces the consumption of electricity distributed in the National Grid. Both are highly successful cases of neutralizing carbon emissions. The synergy between ArcelorMittal BioForests and the Group's plants includes the supply of charcoal produced from eucalyptus plantations, in a process which increases the sustainability of the entire chain – primarily through CO<sub>2</sub> sequestration in the plantations and the use of decomposers in blast furnaces. Energy cogeneration ranges from recovering energy in gases emitted in the

blast furnace operation and coke production, which diminishes the reliance on external electricity supplies.

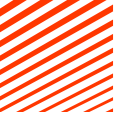
### Circular economy

The circular economy concept is now an everyday part of the strategic language of ArcelorMittal Global leadership. In 2017 the company formalized its partnership with the Ellen Mac Arthur Foundation through the program Circular Economy 100 Brasil (CE100), which encourages companies to think about new fundamentals for their production cycles, based on the notion that re-use is more advantageous both economically and environmentally than disposal and recycling.

Prior to this partnership, however, ArcelorMittal Brasil had already been applying circular economy concepts since 2015 by way of its project for renting metallic sheet piles. Used in temporary containment works, these sheet piles are now being used in Brazil and five other Latin American capitals: Santiago (Chile), Lima (Peru), Bogotá (Colombia), Panama City (Panama) and San José (Costa Rica).







# 7

## SDG 7 A supply chain our clients can trust



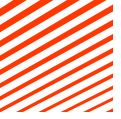
### Supplier assessment

Commitments to suppliers and good practices suggested are documented in the Code and Guide, which specifies the documents required and the forms of monitoring to be implemented. A total of 13,064 audits were conducted on commercial partners in 2017, 2,712 of which involved new suppliers.

The supplier environmental performance assessment program is implemented by the environmental departments of the industrial plants and assesses partners in terms of environmental issues important to the company, such as greenhouse gas emissions. In the initial stage critical suppliers of line, limestone, pig iron, iron ore and scrap metal are selected for environmental auditing. The data obtained is used to classify suppliers according to the score obtained in the audit forms completed.

### Encouraging local contracting

ArcelorMittal Brasil gives preference to suppliers located in the vicinity of production plants (providing equal terms are offered) as a means of nurturing business sustainability. It enters into strategic partnerships, preferably with local suppliers, for the supply of goods, consumables and services with a guaranteed performance. The procurement process undergoes the approval stage, in which administrative, technical and safety issues are analyzed, ensuring the procurement complies with the Group's values. ArcelorMittal Tubarão and ArcelorMittal Cariacica participate in the Supplier Development Program (SDP), created in 1997 and which includes a number of the leading materials and services purchases in Espírito Santo state. The program aims to prepare and implement a seamless procedure for developing and qualifying suppliers in a collaborative process. By way of Prodfor, suppliers participate in activities focusing on organizing their supply quality management systems (SGQF). At the end of the program companies undergo severe audits for certification or recertification. 689 suppliers have been certified since 1998, including 27 in 2017. Of this total 257 are active suppliers currently in the program.



### Satisfaction surveys

In order to measure the satisfaction of the clients served by the Flat Carbon segment, the Tubarão and Vega plants conduct annual surveys on two groups of respondents: Industrial and Automotive. In 2017, the average scores in the survey were 3.82 for Industrial clients and 3.49 for the Automotive sector, on a scale of 1 to 5 points. The target for the year was to secure a score equal to or greater than 3 in both groups. The survey includes topics ranging from presales to product performance in their intended application.

The wire drawn plant of Belgo Bekaert Arames (BBA) also conducts annual surveys on its clients. The survey methodology segregates respondents into four groups: Commercial, Civil Construction, General Industry and Key Industry Accounts. The score in 2017 showed a satisfaction level in excess of 90, on a scale of 0 to 100.

The Long Carbon segment in São Paulo conducts surveys on its corporate clients every two years. The most recent survey was conducted in 2016 and presented an overall satisfaction score of 8.45 (from 0 to 10). The questionnaire addresses quality issues of the products, service, technical assistance, commercial terms, logistics and marketing. A new survey is planned for November 2018.

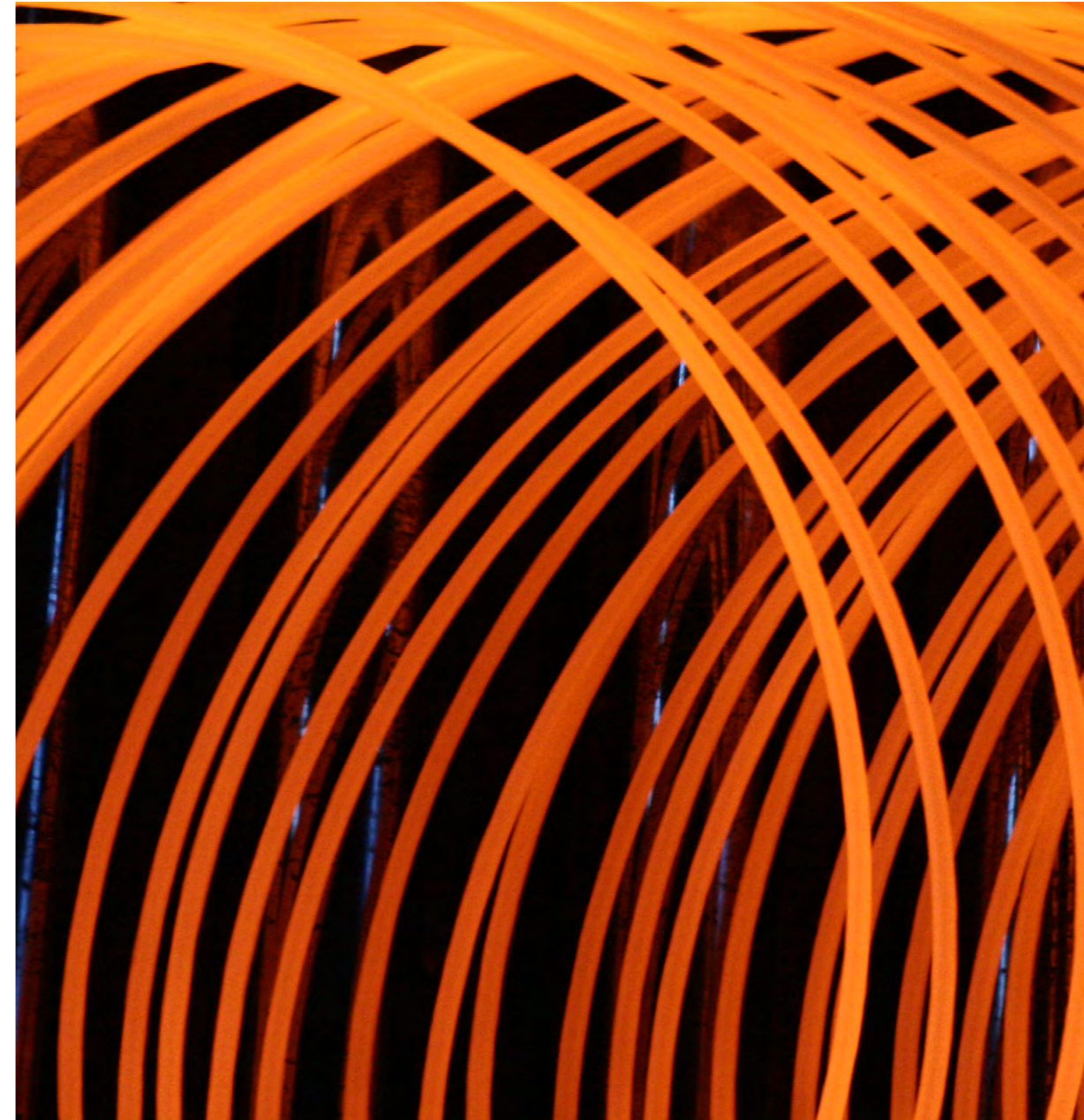
The mining department has a proprietary methodology for assessing customer satisfaction by generating a Vendor Rating report. The report has only been applied to one client (ArcelorMittal Monlevade) and in 2017 also began to be compiled at the Juiz de Fora plant.

**3.82**

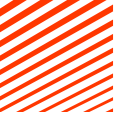
average score given by industrial clients to the Flat Carbon segment on a scale of 1 to 5.

**3.49**

average score automotive clients attributed to this segment.







# 8

**SDG 8**  
An active, welcome member of the community



SDG 8 epitomizes the permanent care and attention that ArcelorMittal Brasil dispenses in its relations with local communities and any others directly or indirectly impacted by its operations and products.

**BRL 16.9 million**

of social investment in 2017.

### The ArcelorMittal Foundation

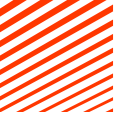
The ArcelorMittal Foundation has been carrying out social projects since 1988 in the municipalities where the company operates. In conjunction with the Long Carbon, Flat Carbon, mining and distribution businesses, it develops initiatives in education, culture, sport, health and social development primarily aimed at forming and encouraging citizenship between children and adolescents. A total of 57 projects were sponsored by the Foundation in 2017. Eight proprietary projects were also conducted.

More than 427 thousand people were impacted in 2017 by the Foundation's actions, which are financed directly by ArcelorMittal or through incentive laws for projects approved under these tax break arrangements.

### Survey to ascertain the public's opinion of the company

An opinion survey was conducted in 2017 on stakeholders in communities embraced by the area of influence of the Long Carbon plants (in the municipalities of Juiz de Fora, João Monlevade, Itaúna, Contagem and Martinho Campos, in Minas Gerais; Piracicaba, in São Paulo; and Feira de Santana, in Bahia). More than





ascertaining the public's opinion of the company, this aims to gage the effectiveness of the Group's social initiatives and the value that the projects aggregate to ArcelorMittal's image in the municipalities. Conducted in quantitative and qualitative stages, the survey involved some two thousand people in seven municipalities.

### Cultural analysis in Bahia and Espírito Santo

In 2016 the ArcelorMittal Foundation conducted an analysis into requirements and deficiencies facing the population in two cities impacted by the Group's activities: Feira de Santana (BA) and Cariacica (ES). The survey, whose data was published in 2017, aimed to ascertain data to better understand the desires of populations in the two municipalities and the challenges faced by cultural producers in them. As part of this, a 220-hour course was administered aimed at formatting cultural projects by the Foundation in both cities, promoting the creation of more assertive and efficient initiatives.

### The Bom Aluno Capixaba program

Created in 2015 by Instituto Ponte, the Program invests in initiatives in aid of the social, emotional and cognitive development of children and adolescents with the sponsorship of ArcelorMittal Tubarão in the activities carried out in Espírito Santo state. Students (hand-picked from low-income families) participate in extracurricular activities, and are given pedagogic and psychological assistance.

### Initiatives at Tubarão

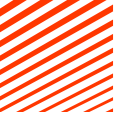
Within the Programa InterAção (InterAction Program), ArcelorMittal Tubarão opens a process to select social projects to be sponsored for a time frame of up to 2 years. The projects' performance is assessed quarterly in conjunction with beneficiaries. In 2017 alone, the Program benefited 16 NGOs and 211 thousand people, both directly and indirectly.

### Initiatives at Vega

The plant runs a social responsibility program which sponsored and/or promoted 14 projects in 2017 in an investment of BRL 1.08 million. This entails initiatives in education, health, culture and community development benefiting more than 25 thousand people in the year.







# 9

**SDG 9**  
A source of talented scientists and engineers for tomorrow



ArcelorMittal believes that the economy of the future will depend on scientific, cultural and engineering breakthroughs currently being developed. SDG 9 epitomizes this belief.

### ArcelorMittal Sciences

Launched in 2015 by ArcelorMittal Foundation to promote scientific education STEM-based initiatives around the country, the program carried out pilot initiatives in two municipalities in the following year. The activities were extended to 13 municipalities in 2017, directly and indirectly benefiting 3,647 people.

### Leisure Lab

An example of a groundbreaking initiative introduced by ArcelorMittal Sciences is the Leisure Lab, set up at the Monlevade plant. An area at the plant contains samples of minerals, models of animals sculptured in resin, equipment and materials for practical scientific experiments and a collection of 50 educational toys, which is open for visiting by primary education students in the region.

### ArcelorMittal Environmental Award

The 26th edition of the ArcelorMittal Environment Award ran on the theme “Environment and science: energy in my city”. Some 85 thousand students from 382 schools, in 32 municipalities of Minas Gerais, Espírito Santo, São Paulo and Bahia, participated in the Awards in 2017; 1,800 educators were also part of the initiative. In addition to students in the communities, a total of 607 children of employees also participated in the workshop.

### Research and Development Center

The Tubarão plant houses the ArcelorMittal Research and Development Center (R&D) for South America. The number of formal partnerships created with other entities rose in 2017, reaching a total of 20 such collaborations at the end of the year. One of the main networks connecting the Center to other institutions is the Brazil Ecosystem for Modeling (BEM). This consists of an environment in which engineering students hone their skills by building theoretical models to solve real problems found in the steel sector’s production chain.

### Open House program

Created by ArcelorMittal Long Carbon, the Porta de Entrada (Open House) program pursues innovation in preparing labor for maintenance and production. Designed in 2017 and initiated at the start of 2018 in Piracicaba (SP), Cariacica (ES), Juiz de Fora, Sabará, Mina do Andrade and João Monlevade (MG), Gateway will be the main program for attracting professional talent in the Long Carbon segment.





# 10

## SDG 10

Our contribution to society should be measured, shared and promoted



This chapter presents the main results obtained by ArcelorMittal in 2017

### Economic

CONSOLIDATED NET REVENUE

**BRL 20.32 billion**

EBITDA MARGIN

**13%**

PREPAYMENT

**BRL 7.8 billion**

INVESTMENT

**BRL 795 million**

PRODUCTION VOLUME

**10 million**

tonnes of crude steel.

CONSOLIDATED NET INCOME

**BRL 101 million**

EBITDA

**BRL 2.55 billion**

SALES VOLUME

**9.7 million**  
tonnes of crude steel.

### Environmental

**1.4 million**

tonnes of nonhazardous waste reused in new processes.

**1.0 million**

of tonnes of CO<sub>2</sub> equivalent: total reductions in greenhouse gases in 2017.

**98%**

water recycled and reused in industrial plants.

**3.6 million**

tonnes of nonhazardous waste recycled.

**BRL 101 million**

invested in the *Gas Cleaning Bag Filter* system, in Tubarão.





## Social

**211 thousand people**

benefited by the InterAction Program introduced by ArcelorMittal Tubarão.

**14 projects**

sponsored or promoted by ArcelorMittal Vega.

**65 projects**

participated in by the Foundation in 2017 (57 sponsored and 8 proprietary).

**427 thousand people**

benefited by initiatives of the ArcelorMittal Foundation.

**BRL 16.9 million**

in social investment.



### Best sector reputation

ArcelorMittal has become the company with the best reputation in the mining and steel sector in Brazil. The Brasil Reputation Pulse survey, conducted by Reputation Institute and published in early 2018, assessed more than 350 companies in Brazil in all productive sectors. ArcelorMittal was given a Reputation Pulse Score of 69 points, more than 12 points above the sector average of 56.6 points.

### Independent survey into the economic impact of ArcelorMittal Tubarão

To quantify the impact of ArcelorMittal Tubarão's impact on the economy of Espírito Santo state and the Brazilian economy as a whole, the plant conducted a wide-reaching study embracing the last 20 years (1996-2016) of the company's history. The full content can be seen in the link <http://tubarao.arcelormittal.com/pdf/galeria-midia/relatorios-publicacoes/sumario-arcelormittal-tubarao-es.pdf>.

### The Labor, Justice and Citizenship Program (TJC)

This program is a citizenship building initiative of the National Association of Labor Tribunal Magistrates (Anamatra). TJC's activities involving local school students and educators in Vespasiano (MG) are sponsored by ArcelorMittal. Municipal teachers undergo training and lectures to prepare them to convey these legal ideas to their students. In 2017 the schedule for the year culminated in an event held in November at the Palácio das Artes Nair Fonseca Theater in Vespasiano.

### Awards and recognition in 2017:

- **Biggest and Best 2017 (Exame magazine)**
- **Steele Awards**
- **Minas Business Performance Award**
- **Época "Green Business" Awards**
- **Época Negócios 360°**
- **José Costa Award**
- **Excellence award for the Brazilian mining – metalwork industry**
- **Estadão Empresas Mais Ranking**
- **Proof Not Promises**
- **Best Press Relations**
- **Mineiro Sporting Award**
- **Industrial Excellence Award**
- **Most innovative companies in Brazil**
- **150 Most Innovative Companies**
- **Top 10 Suppliers**
- **ABM Merit Award**
- **Metal of the Industrial Merit Award of Espírito Santo**

# Credits

## **General Coordination**

ArcelorMittal Brasil S/A

General Department of institutional  
Relations and sustainability

Av. Carandaí, 1.115 - 11º andar

30130-915 - Belo Horizonte - MG - Brazil

*Email:* [comunicacao.corporativa@arcelormittal.com.br](mailto:comunicacao.corporativa@arcelormittal.com.br)

*Website:* <http://brasil.arcelormittal.com.br/en/home>

## **GRI consultancy, contents, graphic design and design**

Report Sustentabilidade

[www.reportsustentabilidade.com.br](http://www.reportsustentabilidade.com.br)

## **Photography**

ArcelorMittal Images Database

## **Translation**

América Latina Traduções